

Mid-Continent Airport Wichita, Kansas

Air Capital Terminal 3

CITY COUNCIL WORKSHOP

JUNE 7, 2011



HNTB Architecture
In Association with
Gossen Livingston Associates, Inc.

ICT



Scope of Presentation

- Background of Project: History and Why Build?
- Project Scope
- Cost
- Funding Plan
- Construction Already Done
- Renderings of New Terminal
- Economic Indicators & Conclusions
- Next Steps

Previous City Council/Airport Authority Major Actions Highlights

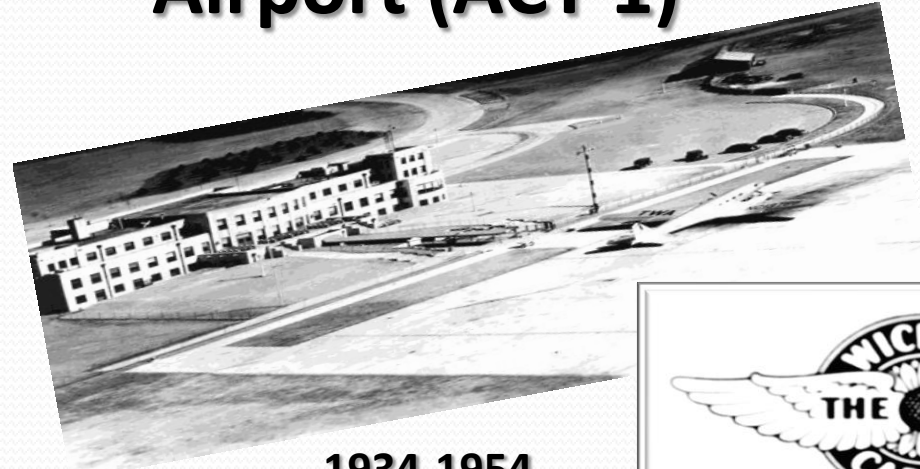
- December, 2002: Initiated a Master Plan study of options, including renovation of existing Terminal facility
- September 14, 2004: Workshop on Terminal Area Study
- October 12, 2004: Accepted Terminal Area Study and approved construction of a new Terminal versus renovation
- June 7, 2005: Contracted with DMJM Aviation (now AECOM) for Program Management
- June 27, 2006: Workshop on Conceptual Design of Terminal
- July 18, 2006: Contracted with HNTB Architecture for design
- October 24, 2006: Approved Financial Capacity Analysis presented by LeighFisher
- July 24, 2007: Joint workshop with City Council, Airport Board & Design Council on Schematic Design of Terminal

Previous City Council/Airport Authority Major Actions Highlights (cont.)

- December 11, 2007: Parking financial feasibility study workshop
- February 12, 2008: Parking study design recommendations presented in workshop
- March 4, 2008: Parking garage design options workshop
- June 3, 2008: Phase 1 of airfield apron construction approved
- August 26, 2008: Joint workshop with City Council, Airport Board & Design Council on Design Development of Terminal
- October 7, 2008: Phase 2 of apron construction approved
- July 7, 2009: Mid-Continent Road and Utilities relocations approved
- September 15, 2009: Accepted a \$6.9 million grant from the TSA
- February 9, 2010: Passenger Facility Charge (PFC) application to the FAA approved for the project
- October 5, 2010: Financial Plan workshop; Project put on hold

Wichita Municipal Airport (ACT 1)

Wichita Mid-Continent Airport (ACT 2)



1934-1954



1954-2015



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Wichita's Air Capital Terminal 3 (ACT 3)

The Existing Terminal Building Was Originally Constructed in 1953 (Almost 60 years ago)

Subsequent additions

- Two concourses with 10 gates added in 1976
- Expansion of Ticketing and two additional gates in 1985
- Last Major Renovation & Expansion in 1989



Functional Deficiencies of Existing Terminal

- Functionally obsolete and expensive to operate
- Walking distance to gates is excessive
- Concessions are not located where they are needed most
- Security checkpoint has inadequate space
- Ticketing hall and baggage claim areas are congested
- Not compliant with Federal security requirements, ADA and building codes
- Mechanical, electrical and plumbing systems are obsolete



Issues with Renovating and Expanding Existing Terminal

- Cost is similar to new construction
- Challenges
 - Major service impact on existing operations
 - Small incremental phases of construction
 - Significantly longer construction disturbance
 - Limited potential for improving passenger service
 - Major cost for building systems and infrastructure

Goals for Building New Terminal Building

- Develop a “right-sized” facility
- Satisfy future terminal facility growth requirements
- Develop an efficient, distinctive and modern terminal facility
- Provide improved terminal access and parking facilities
- Do it in a cost-conscious manner

New Terminal Building Features

- Passenger boarding bridges at all gates
- Shorter walk to farthest gates
- Close-in, Covered garage parking
- Improved food, beverage & retail concessions
- Spacious meeter/greeter area
- Energy efficient facility: LEED certified
- Operationally efficient facility for:
 - Passenger security screening
 - Baggage security screening
 - Ticketing
 - Baggage claim

Design Capacity

- 2008 Passenger Traffic 1.62 million (all time record)
- 2009 Passenger Traffic 1.51 million
- 2010 Passenger Traffic 1.55 million
- Phase I Designed for 2.0 Million Passengers (initial)
- Phase II Capacity of 2.4 Million Passengers (future)

Cost

- **Cost estimate for ACT 3 is \$160 million**
- **Parking Facilities cost estimate is \$40 million**
- **\$38 million has already been spent since 2005:**
 - Architectural and Engineering design; Program Management
 - Environmental assessments (done)
 - Apron phases 1 and 2 (done)
 - Landside utilities phase 1 (done)
 - Relocation of Mid-Continent Drive (done)
- **Completed enabling construction from other budgets:**
 - Demolition of old air cargo facility and airline maintenance buildings
 - Demolition of employee parking lots
 - Construction of replacement Air Cargo Center
 - Construction of replacement US Customs Federal Inspection Facility
 - Construction of New Park & Ride economy parking facilities
 - West data center and communications/network/security system cabling

Sources of Funding

- FAA Aviation Trust Fund (AIP) Grants (aviation users)
- Transportation Security Administration Grants (aviation users)
- Airport Passenger Facility Charges (PFCs)
- Concessions
- Parking
- Rental Cars
- Leases
- Space Rental to Airlines
- Airport system revenues
- *No local tax dollars planned to be used. Only users of the Airport pay.*

Funding Plan

In millions	ACT 3	Parking
Project Costs	\$160.0	\$40.0
Pay-as-you-go funds		
AIP grants (entitlements)	29.0	0.0
AIP grants (discretionary)	24.8	0.0
PFC pay-as-you-go	16.8	0.0
CFC pay-as-you-go	0.0	5.0
Airport cash	27.2	0.0
TSA grants	6.9	0.0
Total pay-as-you-go	\$104.7	\$5.0
Total bond proceeds *	\$55.3	\$35.0
Total Sources	\$160.0	\$40.0
* Partially reimbursable by PFC and CFC collections		

Authority's Financial Planning Objectives

- **Develop feasible funding plan to support Capital Program**
 - Use pay-as-you go funding to limit debt requirements
 - Do not exceed practical debt capacity
 - Allow funding capacity for future capital expenditures
 - Maintain competitive airline costs
- **Established financial “targets”**
 - Average annual net income of \$2 million (after paying debt service)
 - Average debt service coverage of 1.10x
 - Debt service reserve equal to 50% of annual debt service payments
 - Operations & Maintenance expense reserve equal to 180 days

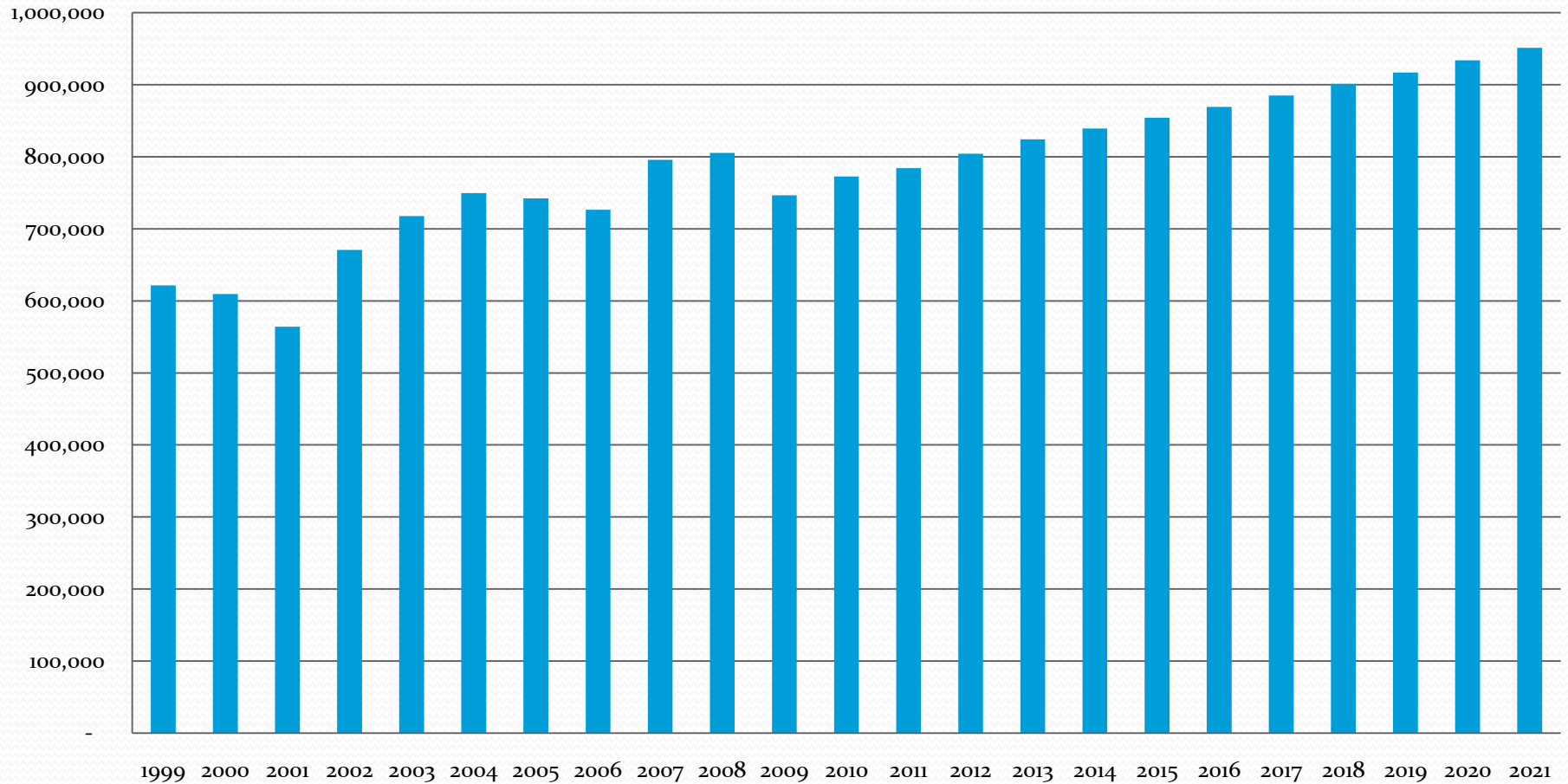
Financial Forecast

Annual Net Income



Passenger Forecast

Enplaned Passengers





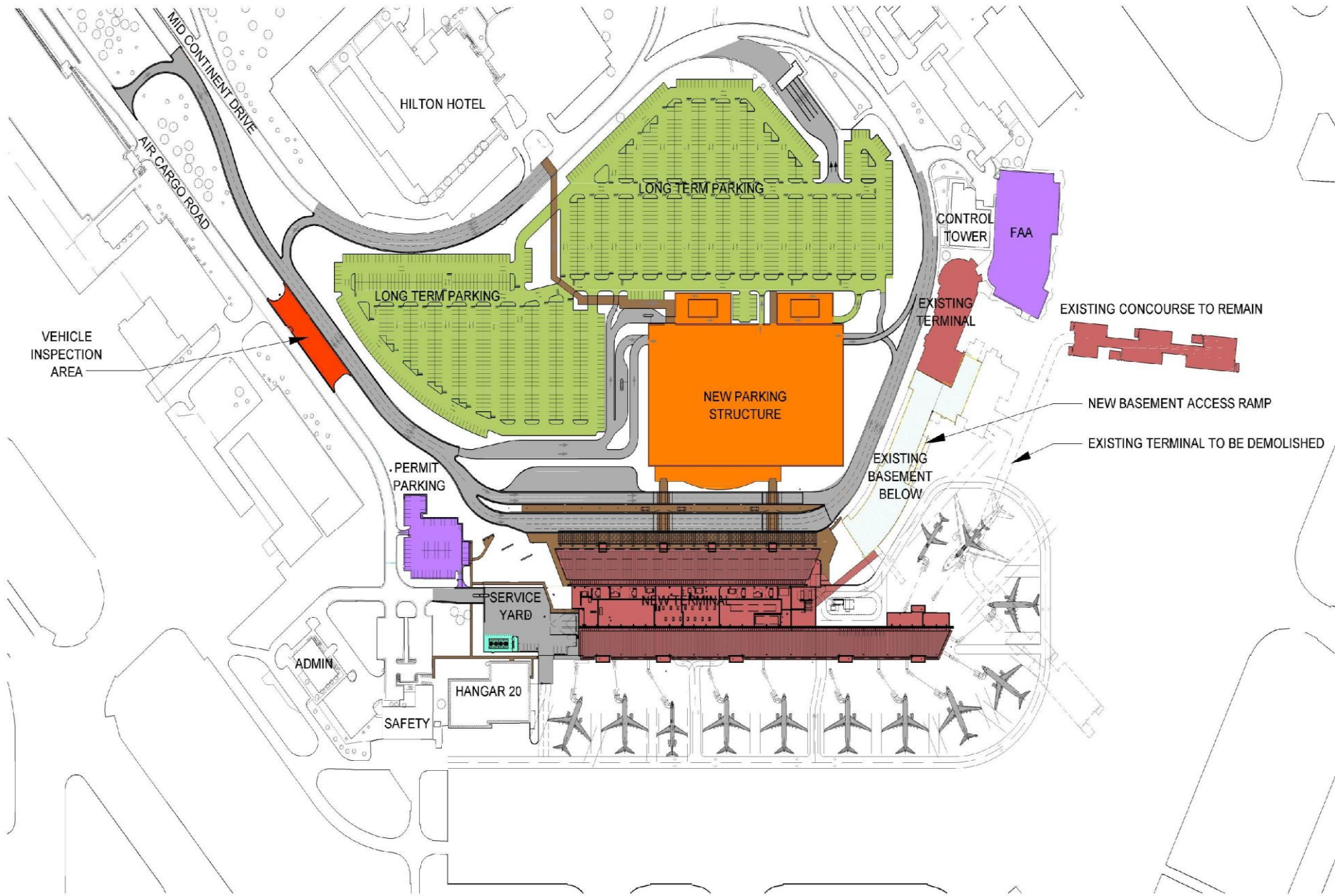
ACT 3 Projects already completed



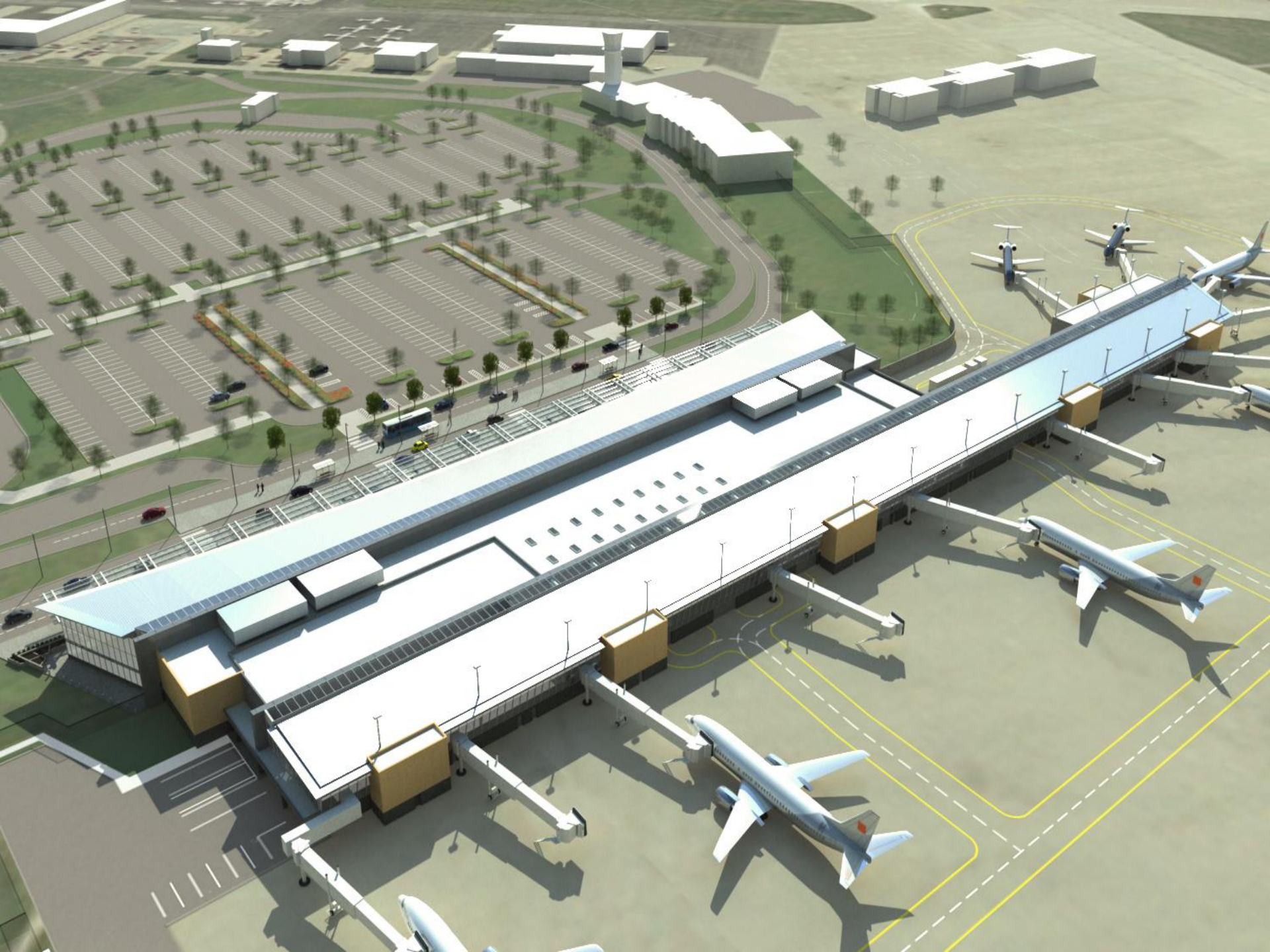




Renderings of New Terminal









WICHITA THE AIR CAPITAL OF THE WORLD

CITY GRILL

CITY GRILL

BOOKSELLERS

BOOKSELLERS













IMAGE AT BAGGAGE CLAIM

Indirect Indicators



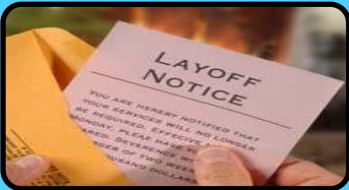
Sales Tax Collections

Growth of 2.9% since this time in 2010



Current Conditions Index

Growth of 0.7% since last month



Number of Unemployed

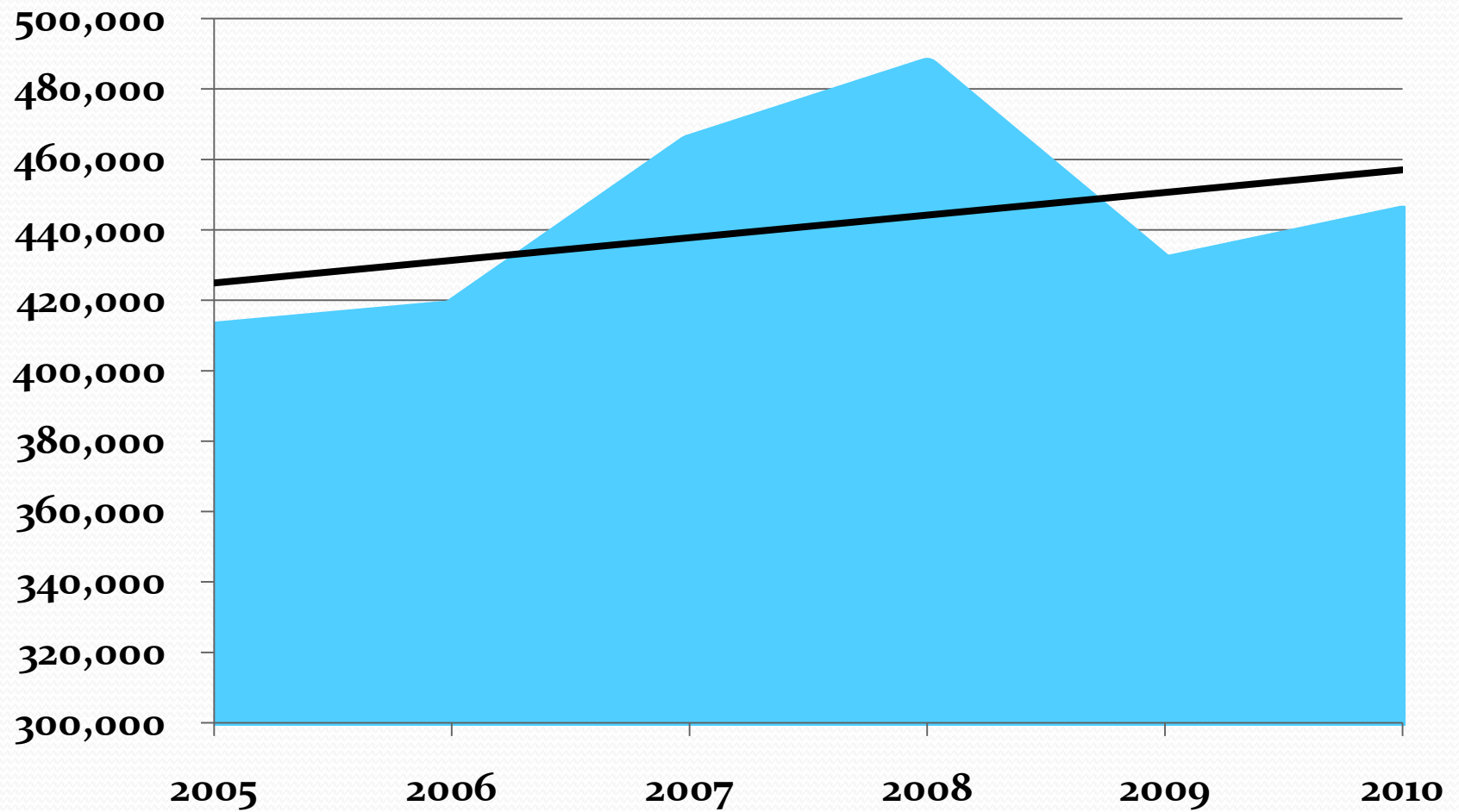
Improved by 10.1% in past month and 3.4% since 2010



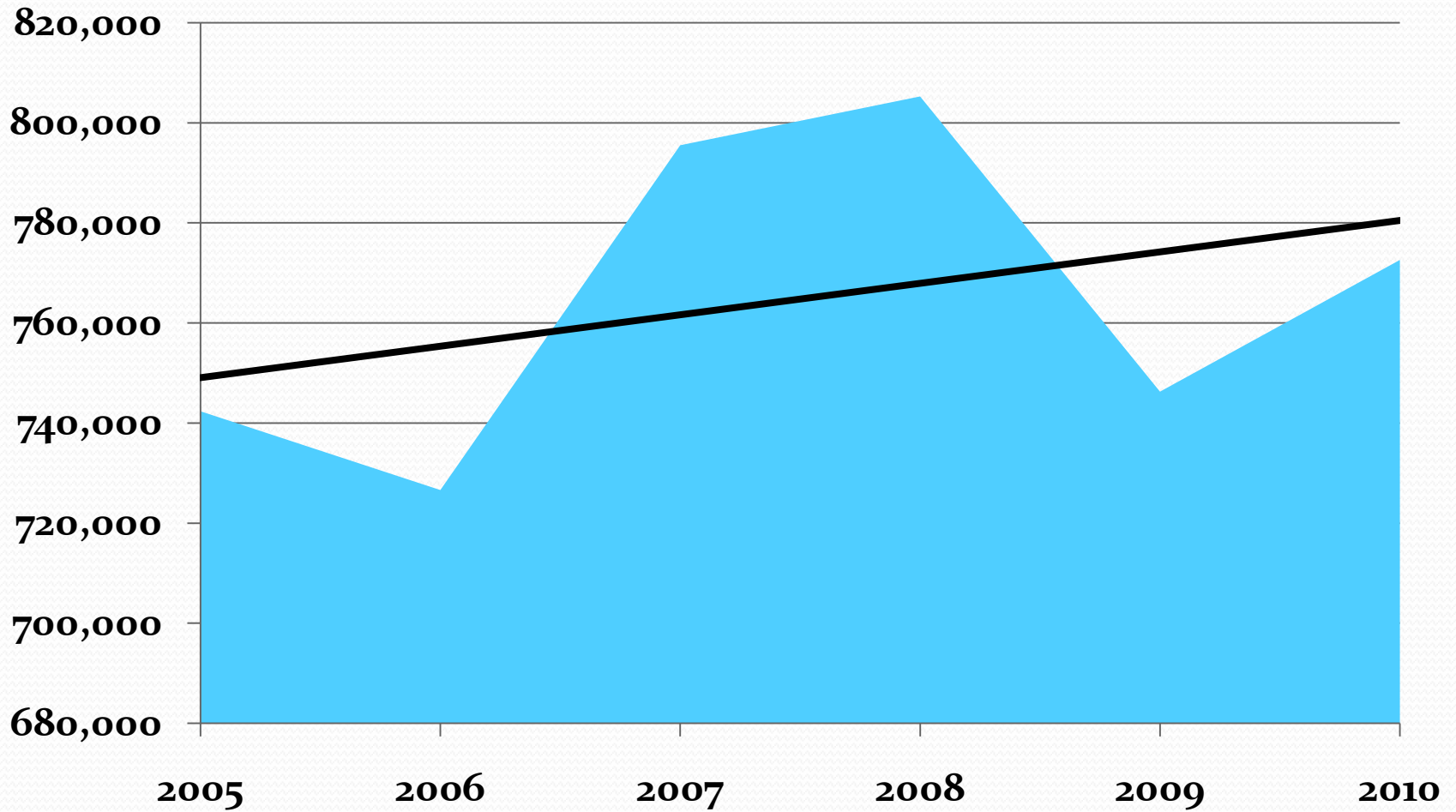
Airplane Shipments

Annual decline in 2010 but appears to be settling

Parking Usage



Enplanements



Economic Conclusions

- Economy has stabilized with weak growth
- Current passenger trends support the project
- Minimized the risk of non-Airport users paying for the new facilities
- Contingency plans in place to accommodate any unanticipated shortfalls

Next Major Steps Highlights

- Airport Authority approval to bid & set budget – June 21, 2011
- Begin bidding process for terminal - Summer 2011
- Execute supplemental agreements with Design Team and Construction Manager – Summer 2011
- Select design team for parking & rental car facilities – Late 2011
- Award terminal construction contract – Late 2011
- Terminal construction starts - Spring 2012
- Parking garage construction starts late 2012; complete late 2014
- Terminal opens - 2015



QUESTIONS & DISCUSSION